

WTI Brown Bag Seminar

3rd May 2022, 12:30 - 13:30pm (Hybrid Event)



Venue: Anna Nussbaum Auditorium, World Trade Institute, University of Bern
Hallerstrasse 6, 3012 Bern, Switzerland

*To join virtually via Zoom, please use this [link](#) or with Meeting ID: 892 7642 8187 (Passcode: 790947)

Backward-Engineering Trade Protection: A Method to Estimate Worldwide Industry-Level Trade Barriers

Abstract:

Non-tariff barriers to trade are widely recognized as the primary form of trade protection in the modern world economy. Yet reliable information on these measures remains elusive due to the complexity of the underlying regulations and political incentives for non-transparency. In this paper, I present a penalized regression method that allows me to infer the size and evolution of trade barriers from observable trade frictions, rather than having to rely on inventories of legislation or official notifications. As a consequence, my estimates are not affected by the coverage and selection problems prevalent in existing compilations.

Based on cross-validated time-series smoothing, my estimates also go beyond the status-quo by exhibiting reliable time-variation. Overall, the resulting data cover 152 countries and 212 industries over the thirty-year period 1989-2018. Expressed in terms of ad valorem tariff-equivalents, these data provide the most comprehensive picture of applied trade protection currently available. I demonstrate that my estimates not only display a host of intuitive empirical patterns, but also outperform existing inventories data in various ways. In a replication study of Kono (2006), I show that my estimates make it possible to uncover hitherto unknown temporal trends in the pattern of protection across democracies and autocracies.

Biography of the speaker:



Dr Marco Martini
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Marco Martini is a postdoctoral researcher at the University of Zurich's Department of Political Science. Previously, he was a fellow at the Niehaus Center for Globalization & Governance (NCGG) at Princeton University. He received his PhD from ETH Zurich. His research interests lie at the intersection of international political economy and political methodology with a particular focus on trade policy. In his research, Marco investigates topics such as the dynamics of trade disputes, the formation of preferential trade agreements, or the role of lobbying in trade policymaking. To compile previously unavailable data on trade barriers, dispute events, or trade bargaining outcomes, he draws on a variety of methods, including automated text analysis, mathematical simulations, and statistical modelling. Marco has won the ETH Medal for outstanding dissertations at ETH Zurich as well as the SNIS Award 2018 for the best PhD thesis submitted at a Swiss University on a subject related to International Studies.